

**WAIS, Inc.**  
**February 1995 Balance Sheet**  
**3/7/95**

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
<i>Current Assets:</i>			
Cash	133,019	101,163	31,856
Accounts Receivable	420,363	282,315	138,048
Deposits & prepaids	62,493	15,000	47,493
Total Current Assets	615,875	398,478	217,397
<i>Fixed Assets:</i>			
Furniture	37,771	19,741	18,030
Equipment & Software	189,808	150,276	39,532
Production Services	23,982	26,301	(2,319)
Leasehold Improvements	1,252		1,252
Accumulated Depreciation	(63,768)	(60,036)	(3,732)
Net Fixed Assets	189,045	136,282	52,763
<i>Other Assets</i>	3,179	3,815	(636)
<i>Total Assets</i>	808,099	538,575	269,524
<i>Current Liabilities:</i>			
Accounts Payable	106,832	73,072	33,760
Accounts Receivable Line of Credit			-
Note Payable		48,711	(48,711)
Deferred Revenue	7,100	79,253	(72,153)
Accrued Income Taxes	280,174	106,569	173,605
Total Current Liabilities	394,106	307,605	86,501
<i>Shareholders' Equity:</i>			
Paid in Capital	25,000	25,000	-
Current Year Income (Loss)	351,344	159,854	191,490
Retained Earnings (Deficit)	37,649	46,116	(8,467)
Total Equity	413,993	230,970	183,023
<i>Total Liabilities &amp; Equity</i>	808,099	538,575	269,524

**WAIS, Inc.**  
**Income Statement for the Month of February 1995**  
**3/7/95**

Month of February				FY 1995 Q3 to Date		
<u>Actual</u>	<u>Budget</u>	<u>Better (Worse)</u>		<u>Actual</u>	<u>Budget</u>	<u>Better (Worse)</u>
			<i>Revenue:</i>			
83,450	177,778	(94,328)	Products	119,450	355,556	(236,106)
7,616		7,616	Government Contract	40,030		40,030
113,100	161,000	(47,900)	Production Services International	154,633	182,000	(27,367)
204,166	338,778	(134,612)	Total Revenue	314,113	537,556	(223,443)
15,000		15,000	<i>Cost of Sales</i>	30,000		30,000
189,166	338,778	(149,612)	<i>Gross Margin</i>	284,113	537,556	(253,443)
			<i>Expenses:</i>			
67,579	88,226	20,647	Marketing & Sales	134,959	151,186	16,227
13,346	5,800	(7,546)	Washington Office	25,787	11,600	(14,187)
24,510	32,831	8,321	Production Services	45,323	61,278	15,955
42,951	66,284	23,333	Development	91,942	131,429	39,487
55,157	63,094	7,937	G&A	106,027	112,588	6,561
16,190		(16,190)	Operations	32,365		(32,365)
219,733	256,235	36,502	Total Expenses	436,403	468,081	31,678
(30,567)	82,543	(113,110)	<i>Net Operating Income (Loss)</i>	(152,290)	69,475	(221,765)
410		410	<i>Interest Income (Expense)</i>	965		965
(30,157)	82,543	(112,700)	<i>Pretax Income (Loss)</i>	(151,325)	69,475	(220,800)
(13,269)	33,017	46,286	<i>Income Taxes</i>	(66,583)	27,790	94,373
(16,888)	49,526	(66,414)	<i>NET INCOME (LOSS)</i>	(84,742)	41,685	(126,427)

WIDE AREA INFORMATION SERVERS, INC.  
INCOME STATEMENT FOR THE YEAR ENDING 6/30/94

**INCOME:**

Consulting Income	\$18,500.00
Information Services	50,000.00
Contract Sales	167,006.18
Product Sales - Server S/W	700,300.00
Product Sales - Demo	15,000.00
Interest Earned	2,348.30

**TOTAL REVENUE** \$953,154.48

**EXPENSES:**

Accounting & Bookkeeping	\$12,805.00
Advertising	698.22
Organizational Cost Amort.	954.00
Bank Charges	335.00
Computer Supplies	19,888.83
Depreciation	12,265.10
Dues & Subscriptions	254.21
Entertainment	802.59
Equipment Rental	4,430.89
Insurance	8,230.00
Interest Expense	4,815.00
Legal Fees	8,431.48
Marketing Expenses	10,213.91
Medical Insurance & Reimb.	11,108.18
Miscellaneous Expenses	282.34
Network Access Fees	3,207.63
Office Supplies & Expenses	25,732.28
Paging Services	59.40
Payroll Service Fees	799.55
Staff Salaries	278,008.45
Officers Salaries	192,463.77
Security	1,229.72
Postage & Courier	5,203.02
Professional Fees	112,087.86
Rent	36,240.00
Repairs & Maintenance	2,110.00
Software Expenses	10,356.78
Software Expense/Databases	23,150.00
Tax, Licenses & Fees	1,113.57
Tax - Franchise	800.00
Tax - Payroll	41,060.13
Tax - Property	438.84
Tax - Federal	300.00
Telephone	35,476.07
Online Services	3,998.50
Travel - Costs	30,682.57
Travel - Meals	3,945.62
Travel - Accomodation	11,906.73

**TOTAL EXPENSES** \$915,885.24

**NET PROFIT (LOSS)** \$37,269.24

WIDE AREA INFORMATION SERVERS, INC.  
BALANCE SHEET AS OF 6/30/94

ASSETS

Current Assets	
Petty Cash	500.00
UNB-Checking	(40,013.62)
UNB-Money Market	173,855.21
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Total Cash	134,341.59
Accounts Receivable	101,022.51
Prepays	3,480.00
Deposits	2,395.34
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Total Current Assets	241,239.44
Fixed Assets	
Furniture & Fixtures	4,741.15
Accum. Depr.	(677.98)
Computer Equipment	81,776.23
Accum Depr.	(27,541.23)
Network Equipment	3,301.00
Accum. Depr.	(1,833.89)
	-----
Total Fixed Assets	59,765.28
Other Assets	
Organization Costs	4,769.00
Accum. Amort.	(954.00)
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Total Other Assets	3,815.00
<b>TOTAL ASSETS</b>	<b>304,819.72</b>

LIABILITIES

Current Liabilities	
Accounts Payable	7,500.00
A/P Accrual	88,340.80
Payroll Taxes Payable	17,127.36
Sales Tax Payable	1,237.50
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Total Current Liabilities	114,205.66
Other Liabilities	
Notes Payable - Kahle	48,711.39
Deferred Revenue	79,253.00
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Total Other Liabilities	127,964.39
<b>TOTAL LIABILITIES</b>	<b>242,170.05</b>

EQUITY

Common Stock	25,000.00
Retained Earnings	380.43
Retained Earnings - Current	37,269.24
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<b>TOTAL EQUITY</b>	<b>62,649.67</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>304,819.72</b>

From: cyounger@wsgr.com  
Date: Mon, 06 Mar 95 18:48:50 PDT  
To: nick@wais.com  
Subject: Employee Options

Nick: this is the list from which I worked (the tabs did not work out exactly right on the paste, but the info is the same):

EXHIBIT A

WIDE AREA INFORMATION SERVERS, INC.  
January 9, 1995

STOCK OPTION GRANTS

Vesting		(Post-Split)	
Commencement		Number	
Name	Date	of Shares	
ISO/NSO			
Dan Aronson	36,000 ISO 01/01/94		
Dan Aronson	54,000 ISO 08/20/94		
Dia Cheney	7,500 ISO 04/08/94		
John Duhring	300,000 ISO 01/09/93		
John Duhring	150,000 ISO 01/09/93		
Bill Dunn	75,000 NSO 09/08/93		
Bruce Gilliat	300,000 ISO 05/01/94		
Cyndy Miller-Riley	30,000 ISO 10/17/94		
Harry Morris	396,000 ISO 07/13/92		
Kevin Oliveau	90,000 ISO 03/01/93		
Will Tuthill	15,000 ISO 08/29/94		
Larry Steinberg	30,000 ISO 10/17/94		
Mary McCall	22,500 ISO 11/14/94		
Claude Devarenne	15,000 ISO 12/21/94		
Marion D. Esanu	15,000 ISO 12/25/94		
Norman Brodesser	12,000 ISO 12/05/94		
Kevin Garrett	7,500 ISO 11/14/94		
Miekle Syme-Hall	30,000 ISO 11/10/94		
Nicholas M. Scharf	300,000 ISO 01/01/95		
Tom Ajayebi	22,500 ISO 02/20/95		

Total Number of Shares 1,908,000

*Common stock*

*Brewster Ickle 7,500,000*  
*Wilson Sensini 25,000*  
*7,525,000*